



THE CONTRIBUTION OF THE DRINKS INDUSTRY TO TOURISM, FESTIVALS AND SPORT

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EXECUTIVE SUMMARY

This report updates the 2011 DIGI report which outlined the contribution of the drinks industry to tourism. The drinks industry makes a substantial contribution to domestic and international tourism in Ireland through:

- the extensive and geographically spread network of over 7,500 public houses and almost 1,000 hotel and other bars in 2011
- an additional 1,773 restaurants with wine licences and 380 with full licences
- financial and other support for festivals and cultural tourism
- support for sports events
- direct provision of major tourism attractions such as the Guinness Storehouse and the Old Jameson Distillery, and other attractions such as the Midleton Jameson Experience, Kilbeggan Distillery and Tullamore Dew Visitor Centre
- the generation of a positive international awareness of Ireland through global brands such as Guinness, Baileys and Jameson

The economic role of tourism is substantial. Along with the rest of the economy, tourism is currently operating well below potential, with substantial decline experienced since 2007. However, Government development strategy envisages that both domestic and international tourism will play a major role in the recovery of employment and economic activity over the next few years.

The recovery and development of tourism will require contributions from a wide range of inputs, supporters and stakeholders. If the full economic potential of tourism is to be realised the ongoing supporting role of the drinks industry will continue to be important.

The tax take from tourism in 2011 was €1.4 billion. The foreign tourism contribution was €0.9 billion of this.

Drinks related activities are substantial parts of the tourism/leisure experience. Overseas visitors spent 35 % of their total expenditure on food and drinks in 2011.

The public house and other licensed premises are a major element of the Irish tourism product. There is a geographically spread network of 7,500 public houses and almost 1,000 hotel and other full on-licensed bar premises as well as an additional 1,773 wine on licensed restaurants and 380 fully licensed restaurants. The lowest number of public houses in a county is 95 pubs in Longford.

Over half of these public houses provide food, of which 88% provide hot meals. 17% of pubs provide entertainment specifically for tourists.

This regional spread of public houses and other licensed premises facilitates the geographic spread of tourism and supports regional development.

The pub is the most widely-used facility for meals by overseas tourists. It is an extensively available source of hospitality, personal services, food and information which is provided without any government support. The pub is mentioned by 7% of all visitors and by 10% of German visitors (Germany is the largest mainland European market for Irish overseas tourism) as a positive distinguishing feature of Ireland.

The 2012 Lonely Planet travel guide described “going to the pub” as the greatest experience a tourist can have in Ireland.

Festival tourism is a substantial activity. There are about 900 festivals and events in Ireland, 210 of which were grant aided by Fáilte Ireland in 2011. The drinks and hospitality industry is a major sponsor of festivals. Examples of festivals supported by the drinks industry in 2012 are listed below, and a full list is included in the appendices:

- Absolut Art at the Galway Festival Galway
- Absolut Fringe Dublin
- Bacardi Electric Picnic Stradbally Hall Laois
- Bavaria Independence Festival Cork
- Becks Vier Taste of Dublin Dublin
- Bulmers Comedy Festival Galway
- Bulmers Junction Festival Clonmel Tipperary
- Carlsberg Spraoi Festival Waterford

- Coors Light Live at the Latin Quarter Galway
- Corona Cork Film Festival Cork
- Guinness Rory Gallagher Festival Donegal
- Guinness Fleadh Cheoil na hEireann Cavan
- Guinness Jazz Festival Cork
- Guinness Singing and Swinging Wexford
- Heineken Electric Picnic Stradbally Hall Laois
- Heineken Bundoran Sea Festival Donegal
- Hennessy Literary Awards Dublin
- Jameson Dublin International Film Festival Dublin
- Jameson International Piano Competition Dublin
- West Coast Cooler Taste of Dublin Dublin

The drinks industry is a substantial sponsor of sports events. Major sports sponsorship includes Guinness as one of the three main official sponsor of the GAA All Ireland Senior Hurling Championship (up to 2013), and now Proud Partner of the GAA and Croke Park, the Heineken European Rugby Cup, Guinness sponsorship of international rugby, Heineken Kinsale Rugby Sevens, Carling sponsorship of international soccer, Heineken sponsorship of the Irish golf open and the horse racing sponsorship of Powers Gold Cup, the Guinness sponsorship of Punchestown national hunt, Hennessey Gold Cup and Guinness sponsorship of the Galway and Listowel races. Apart from the industries directly involved in horse racing, such as bloodstock and betting, the drinks industry is the second largest sponsor of horse racing.

The contribution of the industry to the tourism sector was recently acknowledged by the Joint Committee on Transport and Communications in its report on Sponsorship of Sports by the Drinks Industry: “without sponsorship [by the drinks industry], organisations would find it extremely difficult to host major sports events in this country, from rugby to horse racing, which would, in turn, impact negatively on tourism revenue.”

49% of VFI members support either a local sports team/club or local event. An additional 29% had previously done so but were not currently sponsoring. It is likely that a significant proportion of other public houses which are not in the VFI are also supporting local events

Guinness Storehouse was the biggest fee-charging tourism attraction in the country followed by Dublin Zoo in 2011. It achieved a record number of visitors of 1,087,209 in 2012, exceeding the previous record of 2008 and probably remained the biggest attraction in 2012 (the full comparative national data for 2012 are not yet available). In the years prior to 2010 it was ranked number one. In 2010 it was number 2 behind Dublin Zoo. 93% of visitors were from overseas. The Storehouse ranked ahead of other fee charging attractions such as Dublin Zoo, the National Aquatic Centre, the Cliffs of Moher Experience and the Book of Kells. The Old Jameson Distillery was the 13th ranked attraction with 223,500 visitors in 2011. It also achieved substantial growth in 2012 and received 246,617 visitors, 91% of whom were from overseas. The Jameson Distillery in Midleton received almost 110,000 visitors in 2012. The Kilbeggan Distillery and Tullamore Dew visitor centres also contribute to the regional tourist experience with visitor totals of 37k and 16k respectively in 2011.

Guinness Storehouse is the largest international visitor attraction in Ireland and generates 180 million global media impressions annually.

Global brands such as Guinness (consumed in 150 countries), Baileys (consumed in 130 countries), and Jameson (consumed in 120 countries) contribute greatly to the awareness of Ireland as a location associated with hospitality and relaxation and supplement the publicly and privately funded marketing effort.

Summary of drinks industry contribution

- Geographically spread network of 8,500 public houses and bars providing facilities to tourists
- Public houses are the main source of meals for tourists
- 7% of overseas tourists and 10% of Germans identify the pub as a tourism advantage, which ranks the same as “unspoilt environment”
- 17% of public houses provide entertainment specifically for tourists
- The drinks industry is a major sponsor of festivals
- There are approximately 900 festivals each year
- 40% of adults have attended a festival in 2009 which results in a festival attendance of 1.3 million people
- About one fifth of festival attendees are from overseas
- 72% of festival attendees spend at least one night away from home at the festival

- The drinks industry is a large sponsor of horse racing providing 10% of commercial sponsorship in 2012 and is a significant sponsor of GAA, soccer and rugby
- Guinness storehouse had almost 1.1 million visitors in 2012, 93% of whom were from overseas
- Guinness storehouse is the most popular fee charging visitor attraction and the most popular for overseas visitors
- Guinness Storehouse generates 180 million global media impressions annually
- Old Jameson Distillery is the 13th highest fee charging tourist attraction with 247k visitors in 2012, of whom 92% were from overseas
- 49% of public houses which are members of the VFI sponsored local teams/clubs or events

INTRODUCTION AND ROLE OF DRINKS INDUSTRY

The purpose of this report is to update the 2011 report which identified the contribution made by the drinks industry to Irish tourism including the contribution to festival and sports tourism. It is considered appropriate to update the significant role played by the drinks industry in tourism in light of 2013 being the year of the Gathering, the ongoing debate about alcohol sponsorship of sports and festivals and the expectation that tourism will be a major contributor to economic recovery. The current Programme for Government, *Government for National Recovery 2011-2016*, identifies tourism as a priority, highlighting “event tourism” and “niche tourism”. The programme notes the need to attract “international visitors focusing on food, sports, culture, ecotourism, activity breaks, water-based recreation and festivals”. The economic role and potential of tourism and the general hospitality industry was recognised by the reduction of the tourism VAT rate from 13.5% to 9% in the 2011 Government Jobs Initiative and the later extension of that initiative into 2013.

Many different factors determine the performance of the tourism industry in addition to the contribution of the drinks industry. These include cost competitiveness, other competitiveness factors such as management, quality of service, product, international economic conditions, promotion and marketing, access and competing locations.

The drinks industry, along with other sectors, contributes to the national and international tourism performance in several ways. The extensive network of over 8,500 public houses and hotel and other bars, particularly in rural areas, provides physical facilities and services for tourists and contributes to the tourism experience in a positive and significant way. This is particularly so in light of the poor quality of public facilities in many areas and the often bad Irish weather conditions. In addition to the public houses and hotel and other bars, there are 380 other full on- licensed restaurants and 1,773 restaurants with wine licences.

Drinks-related tourism facilities such as the Guinness Storehouse and the Old Jameson Distillery attract large numbers of tourists and are significant components of the Irish tourism product.

The drinks industry supports a wide range of tourism generating festivals and arts activities. Drinks industry sponsorship also supports a range of national and international sports events, which generate both domestic and overseas tourism.

Leading Irish drinks brands such as Guinness, Jameson, Baileys and Magners contribute to a positive awareness of Ireland in foreign markets and support the tourism marketing effort and direct marketing spend.

The contribution of the industry to the tourism sector was recently acknowledged by the Joint Committee on Transport and Communications in its report on Sponsorship of Sports by the Drinks Industry: “without sponsorship [by the drinks industry], organisations would find it extremely difficult to host major sports events in this country, from rugby to horse racing, which would, in turn, impact negatively on tourism revenue.”

This report identifies the range of supports for, and contributions to, tourism flowing from the drinks industry. Ideally, the report would identify the quantitative link between the various drinks industry contributions and supports and levels of domestic and international tourism activity. However, there is insufficient data to quantify the tourism volume directly related to the drinks industry. Even in the absence of this direct quantitative link, it is clear from the empirical data presented in this report that the drinks industry is associated with a substantial contribution to tourism activity.

In summary, the drinks industry contributes to tourism through:

- the extensive and geographically spread network of public houses and other full on licensed premises providing services and facilities
- financial and other support for festivals tourism
- financial and other support for sports events
- direct provision of major tourism attractions, such as the Guinness Storehouse, Old Jameson Distillery and other visitor centres
- generating international awareness of Ireland through major global and international brands which have a particular association with Ireland, such as Baileys, Guinness, Jameson and Magners which complement the international tourism marketing spend.

THE ECONOMIC ROLE OF TOURISM

This section identifies the economic importance of tourism to the Irish economy, the recent weak performance of the sector and the need to achieve greatly improved performance to assist economic recovery.

The tourism industry is very important to the Irish economy. Due to the international and domestic economic recession of the past few years, the scale of tourism has declined. International tourism will have to grow in importance in the coming years as future economic development will have a larger reliance on export performance than in the past few years. Domestic tourism will also be important as a source of domestic demand and employment and as a means of reducing foreign holidays by Irish people.

Tourism is one of the most important international indigenous sectors. In 2010, Irish owned manufacturing generated €9.1 billion in export revenues, of which €6.0 billion was from the food and drink sector and €3.1 billion from all other indigenous manufacturing sectors combined. Enterprise Ireland assisted Irish owned international services companies (excluding tourism) generated €3.3 billion in export revenues. This is compared to €3.6 billion (including receipts of Irish carriers) in tourism receipts from foreign visitors.

Unfortunately, since 2008 foreign tourism activity in Ireland declined due to the international recession. Foreign exchange earnings from tourism were €4.8 billion in 2008 compared to €4.3 billion in 2009, €3.9 billion in 2010 and €3.9 billion in 2011.

In 2013, the domestic tourism sector continues to face a difficult situation following significant decline in recent years. The combination of high domestic costs, high unemployment and lower disposable income creates a very weak business environment for domestic tourism.

While tourism faces economic difficulties, it is expected to play a substantial part in the regeneration of the economy over the next few years. It is essential, that everything positive than can be done to support tourism, should be done. The ongoing role of the drinks industry in supporting tourism is, therefore,

important. The 2011 Programme for Government identifies tourism as one of the sectors with growth potential and the 2011 Jobs Initiative reduced the lower rate of VAT to encourage the hospitality sector. Overseas visitor numbers peaked in 2007 at 8 million visitors. By 2010, this had declined to 6 million. There was an increase to 6.5 million in 2011 and the number in 2012 was also 6.5 million. In the latest period (Feb to April), there was a 4% increase between 2012 and 2013.

The main economic benefits of tourism are noted below:

- In 2011 (based on the Fáilte Ireland latest figures), foreign tourism expenditure (including international fares) was €3.9 billion. Domestic tourism generated €1.8 billion, giving a tourism total of €5.7 billion
- The total tax take from tourism in 2011 was €1.4 billion. The foreign tourism contribution was €0.9 billion of the total tourism tax take and the tourism tax take was 4.1% of total tax revenues.
- In 2011, the foreign exchange receipts of tourism were 2.3 % of total exports of goods and services. In addition, tourism activity has a lower import content than most other exports.
- Fáilte Ireland estimates that tourism represented 4.5% of GNP in 2011 on an expenditure basis.
- Fáilte Ireland estimates that the broader tourism sector provided 180,000 jobs in 2011 which is a substantial decline since 2007. The more restricted CSO tourism category identified a 2011 employment level of 121,000 persons which is similar to the first quarter 2013 level.
- Tourism has a strong regional development and distribution impact compared to many other sectors of economic activity, although this regional impact has declined in the past few years as tourism has become more concentrated in the large urban centres.

The 2012 geographic spread of overseas visitors is:

- Great Britain: 2.8 million

- Other Europe: 2.3 million, of which the two largest national markets are Germany and France
- North America: 1.0 million
- Rest of the world: 0.4 million

The domestic tourism sector is a very important component of the total tourism activity. In 2011, there were 8.994 million domestic trips, of which 4.436 million were holiday trips and 270,000 were for sporting events. The 2012 Hotel Industry Survey identifies that 67% of hotel guest nights were derived from the domestic market in 2011, 4% from Northern Ireland and 29% from the overseas market. Festivals and sports tourism are important components of the domestic tourism market.

Despite the current difficulties of the tourism sector, its economic contribution will have to be increased in the future if Ireland is to deal with its economic and employment problems.

EXPENDITURE BY TOURISTS

This section identifies the significant role of food and drink in tourism expenditure.

The drinks industry contributes to the tourism performance but it also benefits from the expenditure of tourists. Drink spending is an important element of total tourism expenditure. Overseas tourists spend over a third of their expenditure on food and drink. A breakdown between food and drink is not available. Expenditure share on food and drink ranges from 41% for British tourists to 32% for mainland European tourists. Expenditure on food and drinks is the largest component of expenditure within Ireland for all four geographic categories of tourists.

The overseas tourism spending pattern is shown in Table 1.

Table 1: Overseas tourist spending pattern 2011*

% of total spending	Total	Britain	Mainland Europe	North America	Rest of World
Bed and board	27	25	28	27	23
Other food and drink	35	41	32	34	34
Sightseeing/entertainment	7	6	8	8	8
Internal transport	11	11	12	11	11
Shopping	16	14	16	17	20
Misc	3	3	4	3	4

**Source: Fáilte Ireland*

THE ROLE OF PUBLIC HOUSES, HOTELS AND OTHER ON- LICENSED PREMISES

This section identifies the role played by public houses, hotel and other bars in supporting tourism in terms of range of services, facilities and wide geographic spread.

Public houses, hotel bars and other on-licensed premises provide an extensive network of facilities and services needed by tourists. This is particularly so in isolated rural areas where there is a substantial presence of public houses. These facilities and services include the provision of washroom facilities, shelter from adverse weather, food, entertainment, traditional music, a pleasant ambience and information.

Based on DIGI research conducted in 2008, 52% of licensed premises provide food. Of those which provide food 95% provide soup and 88% provide hot meals. 43% of licensed premises offer some form of regular or occasional live entertainment. 22% of licensed premises and 17% of public houses provide entertainment specifically for tourists such as Irish music or ballad sessions. 31% of licensed premises generate 15% or more of their customers from domestic and foreign tourists.

According to the 2008 Fáilte Ireland Visitor Attitudes survey (this information is not published in the more recent surveys), 60% of overseas visitors used pubs for meals in 2008. This was, by far, the most popular facility used by overseas tourists for meals. Next in line were budget restaurants at 36%, hotels at 33% and high quality restaurants 28%. 71% of American visitors and 62% of European visitors used pubs for meals compared with 49% of British visitors.

In 2010, according to Fáilte Ireland data, 80% of overseas visitors who availed of pub / bar food were satisfied. This rating compared to 80% for hotel food, 90% in high quality restaurants and 72% in budget restaurants. Satisfaction with food customer service was 86% in pubs compared with 76% in budget restaurants, 91% in high quality restaurants and 83% in hotels. Satisfaction with food prices was 61% in pubs/bars, 56% in budget restaurants, 60% in high quality restaurants and 62% hotels. Satisfaction with the price of alcoholic drink was only 43%.

The 2012 Lonely Planet travel guide described “going to the pub” as the greatest experience a tourist can have in Ireland.

Public houses are numerous and widely dispersed. Even in counties with small populations and low population densities, there are substantial numbers of public houses each with a range of facilities and services. Each pub provides washroom and shelter facilities. Over half of pubs serve food and almost all of these food pubs serve hot food. In 2011, according to Revenue Commissioner licence data, there were 8523 public houses, hotel bars and other public bars, (of which about 7,500 were public houses) 380 restaurants with full licences and 1,773 restaurants with wine licences.

There is a much higher incidence of public houses than any other type of tourism related facility. Because of the uncertain Irish weather, the shelter role of the pub is important. In addition, the local pub is a source of local information and advice.

The pub is a significant component of the tourism infrastructure and service and is widely available throughout the country. The “other full licences” data refer mainly to hotels. The data shows that there is a substantial number of public houses and other bars in every county. For example, there are 460 pubs in Kerry, 369 in Donegal, 110 in Leitrim and 386 in Mayo. The lowest number in a county is 95 in Longford and 102 in Carlow (Table 2). It should be noted that the tourism enhancing role of the public house network is provided without any government financial support.

Table 2: Geographic spread of public houses and other on licensed premises 2010 and 2011

County	Pubs (2011)	Hotel and Other full bar on licences (2010)
CARLOW	102	9
CAVAN	212	10
CLARE	323	28
CORK	1010	84
DONEGAL	369	64
DUBLIN	761	236
GALWAY	507	87
KERRY	460	56
KILDARE	187	28
KILKENNY	206	15
LAOIS	122	12
LEITRIM	110	12
LIMERICK	391	29
LONGFORD	95	4
LOUTH	188	18
MAYO	386	52
MEATH	211	18
MONAGHAN	108	9
OFFALY	132	7
ROSCOMMON	218	8
SLIGO	153	19
TIPPERARY	445	28
WATERFORD	224	21
WESTMEATH	171	19
WEXFORD	261	33
WICKLOW	157	25

**Source: Revenue Commissioners*

The hotel and other on-licensed premises are also relatively plentiful and geographically spread. Of the hotel and other full licences (excluding restaurants), the lowest number is in Longford which has four, followed by seven in Offaly.

The wide geographic spread of pubs and other on-licensed facilities helps to support a wide geographic spread of tourism which is economically important for the less developed areas of the economy.

Dublin had the highest level of tourism activity in 2011, with 3.8 million tourists but there is a substantial regional spread. The lowest tourism level is North-West, with 505,000 tourists. Outside of Dublin, the highest level is the South-West with 1.678 million tourists.

The tourism industry is also a substantial source of regional revenues with the North-West generating €145 million and the East and Midlands generating €253 million in 2011. The South-West generated €596 million.

The regional spread of overseas tourists and expenditure is shown below in Table 3 for 2011.

Table 3: Overseas Tourism activity by region 2011*

Region	Number of Tourists (thousands)	Revenue (€M)
Dublin	3805	1125
East and Midlands	760	253
South-East	720	172
South-West	1678	596
Shannon	859	257
West	1180	424
North-West	505	145

**Source: Fáilte Ireland*

The top 10 advantages that positively distinguished Ireland from other locations in the perceptions of overseas tourists in 2010 are shown below with the per cent of tourist mentions also shown.

- People: 41%
- Scenery: 24%
- Culture/history: 18%
- English speaking: 11%
- Drinks/ pubs: 7%
- Unspoilt environment: 7%
- Access: 6%
- Interesting towns/villages: 5%
- Small country and easy to see everything: 3%
- Nature/ecology: 3%

The pub, as an advantage, is mentioned by 7% of tourists. This increases to 8% for visitors from mainland Europe and 10% for German visitors. Germany is the largest national mainland European market for overseas tourism in Ireland.

The most popular factors are deeply imbedded or natural features of the tourism product. In a sense, they are not specifically policy or enterprise determined features. While 7% (or 10% in the case of German visitors) who mention pubs, is a relatively small share compared to “culture/history” and “scenery”, it is relatively high when compared to other discretionary tourism advantages. “Unspoilt environment” also got a 7% response. “Access” got a 6% response as did “restful and relaxing”. **Public houses were the fifth ranked positive feature of the Irish tourism experience. Public houses did not feature in the disadvantages.** In addition, as noted above the Irish people are the main advantage of Irish tourism. The public house is an excellent meeting point and opportunity for engagement with Irish people for tourists. Overall, the public house is a distinguishing feature of holidaying in Ireland.

The 7% rating for pubs/drinks in 2010 compares with 4% in 2006, 9% in 2007, 5% in 2008 and 7% in 2009.

FESTIVALS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of commercial and specifically drinks industry sponsorship in supporting festivals and illustrates the wide range of festivals and events which receive drinks industry support.

The exact number of festivals operating in Ireland is uncertain but the available data indicate that it is a very large number. Fáilte Ireland refers to 900 festivals and events and grant aided 210 events in 2011 amounting to aid of €3.62 million. €448 million was generated by festivals in 2010 and more than two million bed nights were generated from the domestic market alone according to Fáilte Ireland.

The total contribution of the drinks industry and other commercial sponsorship is greater than the direct financial support. It includes additional non-monetary assistance including staff, advertising and promotion, facilities and expertise.

As shown below, the drinks industry is a major supporter of many of these events particularly the larger international events. There is limited recent comprehensive research on the individual industrial sectoral contributions to the festival activity. However, earlier research already reported in the 2009 DIGI report on the drinks industry contribution to tourism indicates a very strong role for the drinks industry.

A 2003 report from the Association of Irish Festival Events concluded that, commercial sponsorship accounted for 39% of funding. Of particular interest to the drinks industry, is the fact that the top two sources of commercial funding were:

- publicans, restaurants, hotels and other hospitality: 27% of all festival sponsorship
- breweries and distillers: 21% of all festival sponsorship

By contrast, banks and building societies provided only 6% of commercial sponsorship.

In addition to the substantial role played by the main drinks manufacturers, local publicans also provide sponsorship for a range of local events.

Fáilte Ireland research estimated that in 2005, 22% of festival visitors were from overseas. Sponsorship by the commercial sector is a very important source of funding. Based on 2005 Fáilte Ireland research, 36% of funding is from commercial sponsorship, 31% from box office receipts, 22% from grants and 11% from other sources.

An updated (2009) analysis is available from Fáilte Ireland. This research indicates that,

- 40% of adults claimed to attend festivals in Ireland
- Music festivals are the most popular, with 65% of attendees saying they attend some form of music festival
- 83% say they attend festivals other than music, 34% attend art festivals which is the highest response after music, followed by theatre festivals at 8%, family or childrens festivals at 8%, film festivals at 5% and comedy at 4%
- 28% of attendees do not spend any nights away at the festivals, 21% spend one night away, 26% spend two nights away and 23% spend three or more nights away. The average number of nights away is between one and two
- Spending nights away is more likely for music festival attendees
- An attendance rate of 40% of adults represents approximately 1.3 million people in 2009.

Additional research from Fáilte Ireland's Survey of Overseas Travellers indicates that, in 2009, 376,000 overseas visitors attended festivals. This is 5.7% of all overseas visitors (based on Fáilte Ireland estimate of total visitors). Fáilte Ireland states that, in 2010, the overseas festival attendance was about 400,000 persons. Of course, attendance at festivals does not imply that the festival was the determinant of their choice of Ireland. However, festivals do enhance the tourism product and tourist experience. The great majority of festival attendees are domestic, which contributes greatly to the domestic tourism market. The main challenge identified by festival organisers, according to the Fáilte Ireland report, was lack of funds, and in particular, the task of maintaining sponsorship.

In 2008, Deloitte examined the role of business in funding arts and culture. This included heritage, visual arts, performing arts and other activities including festivals. The analysis did not directly identify the role of the drinks industry in financial support but it classified business into five categories: consumer, retail

and hospitality (which included the drinks industry); technology, media and communications; financial service; energy, utilities, construction and property; and other.

According to this research, festivals/events attracted 55% of the total business support. 76% of the arts/culture organisations had received business support. The most frequent support came from the consumer, retail and hospitality sector which supported 58% of organisations followed by technology, media and communications which supported 41% of organisations, and financial services which assisted 38%. The total exceeds 100% because there were multiple responses.

Amarach carried out an earlier (2006) survey on the same theme. It found that, the number of arts projects reporting support from various business sectors, were alcoholic drinks 21%, non alcoholic drinks 5% and hotels and restaurants 21%. This compared with 27% for banks and financial services and 25% for media and publishing.

The available evidence indicates that the drinks industry is a major business sponsor of festivals.

An illustrative sample of drinks industry sponsored festivals is shown below, the sponsorships refer to 2012. A full list is contained in the appendices.

Illustrations of Festivals Sponsored by the Drinks Industry

- Absolut Art at the Galway Festival, Galway
- Absolut Fringe, Dublin
- Bacardi Electric Picnic Stradbally Hall, Laois
- Bavaria Independence Festival, Cork
- Becks Vier Taste of Dublin, Dublin
- Bulmers Comedy Festival, Galway
- Bulmers Junction Festival, Clonmel Tipperary
- Carlsberg Spraoi Festival, Waterford
- Coors Light Live at the Latin Quarter, Galway
- Corona Cork Film Festival, Cork
- Guinness Rory Gallagher Festival, Donegal
- Guinness Fleadh Cheoil na hEireann, Cavan

- Guinness Jazz Festival, Cork
- Guinness Singing and Swinging, Wexford
- Heineken Electric Picnic Stradbally Hall, Laois
- Heineken Bundoran Sea Festival, Donegal
- Hennessy Literary Awards, Dublin
- Jameson Dublin International Film Festival, Dublin
- Jameson International Piano Competition, Dublin
- West Coast Cooler Taste of Dublin, Dublin

As well as being the principal sponsor for many events, the drinks industry also contributes to events as minor sponsors.

In addition to festival sponsorship, the drinks industry supports tourism through sponsorship of quality enhancing programmes, such as the *Santa Rita Restaurants Award*. Wyndham Estate wine supports *the Music in Great Houses* events.

SPORTS EVENTS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of the drinks industry in supporting a wide range of sporting events including national and international events and local and regional events.

As is the case internationally, the drinks industry is a major sponsor of sports events. Large international events, such as the rugby internationals, bring in overseas tourism as well as generating domestic tourism. The main economic impact of sports is through domestic tourism. The contribution of the industry to the tourism sector was recently acknowledged by the Joint Committee on Transport and Communications in its report on Sponsorship of Sports by the Drinks Industry: “without sponsorship [by the drinks industry], organisations would find it extremely difficult to host major sports events in this country, from rugby to horse racing, which would, in turn, impact negatively on tourism revenue.”

It is conservatively estimated that drinks industry sponsorship of sporting events in 2012 amounted to approximately €35 million.

Major sports sponsorships in 2012 included:

- Heineken European Rugby Cup
- Heineken Irish golf open
- Guinness Series, International Rugby
- Guinness is Proud Partner of GAA and Croke Park. It was one of three sponsors of the All Ireland Senior Hurling Championship until this year
- Horse racing sponsorship of Powers Gold Cup, Hennessy Gold Cup, the Guinness Punchestown national hunt sponsorship and Guinness sponsorship of the Galway and Listowel Races
- Carling sponsorship of Irish soccer internationals.

Beamish sponsors the Munster Senior League (soccer). Heineken sponsors the Kinsale Rugby Sevens. Carlsberg sponsors the Salthill Devon national five a side soccer festival. There is also a range of smaller supports including individual pub sponsorship of local teams and events. According to the recent VFI survey of members, 49% of VFI members are sponsoring local sports teams with an average financial

contribution of €1,726 per member. This amounts to €3.4 million for all VFI members. In addition, 29% of members recently withdrew from local sponsorship due mainly to financial constraints.

There is also a wider economic value that should be taken into account, with international sporting fixtures held in Ireland helping to boost tourism figures and the economy. Dublin Chamber of Commerce estimate that the 2013 Heineken Cup Final held in Dublin generated an additional €18 million from out of state visitors. Additional spend on accommodation was estimated at €5 million, and spend in pubs and restaurants just under €5 million.

The role of the drinks industry in horse racing sponsorship is substantial although the absolute amount has declined due to the economic recession.

In 2012, total commercial race sponsorship was €3.665 million. Of this, the drinks industry provided €375,500 or 10.2%, which was the fifth highest sectoral share behind media, bookmakers and betting exchanges, stud farms, and racecourses. Hotels provided another 1.6% of the sponsorship.

The scale of the racing industry and its economic impact can be appreciated by the attendance of 1.19 million persons who attended race meetings in 2012.

TOURISM ATTRACTIONS AND THE DRINKS INDUSTRY

This section identifies the substantial role played by the visitor attractions established by the drinks industry.

The latest Fáilte Ireland comprehensive national data for all fee charging attractions relates to 2011 but specific 2012 data has been made available by the main drinks industry attractions for 2012. Unfortunately, it is not possible to compare the 2012 position of the drinks industry attractions with the other tourism attractions. This is possible only for 2011. The comparative position in 2011 is referred to first and then the 2012 position is examined.

Guinness Storehouse was the largest fee charging tourism attraction in 2011 with 1,025,700 visitors. Second in the ranking was Dublin Zoo with one million visitors. The large majority of Guinness Storehouse visitors were from overseas. It was substantially ahead of the third ranked attraction which was the National Aquatic Centre which had 825,000 visitors. The Old Jameson Distillery attracted 223,500 visitors in 2011 and was ranked thirteenth in the top 20 attractions. The great majority of these visitors were also from overseas.

Guinness Storehouse is the largest international visitor attraction as the Dublin Zoo attendees include a high proportion of domestic visitors.

In each of the years 2005 to 2011, except for 2010, the Guinness Storehouse was ranked number one of the fee charging visitor attractions. In 2008 and 2009 its visitor numbers exceeded one million. In the period to 2011, its visitor numbers peaked at 1.039million in 2008. However, 2012 was a new record year for the number of visitors with a level of 1,087,209 visitors which exceeded the 2008 peak.

Between 2005 and 2011, the number of visitors to the Guinness Storehouse grew from 780,851 to 1,025,700. Following another increase in 2012 of 6%, the new record level of visitors of 1.087,209 was established.

The Old Jameson Distillery also had a very good year in 2012 with an increase to 246,617 visitors which is close to the peak of 250k visitors in 2008. The increase over the 2005 to 2011 period for the Old Jameson Distillery was from 204,000 to 223,500.

The drinks industry visitor attractions are particularly important in overseas tourism. In 2012 91% of the Old Jameson Distillery/Midleton Jameson Experience visitors were from overseas with 43% from the United States, 13% from Germany and 10% from France. The overseas share was 93% for the Guinness Storehouse in 2012 and the largest overseas share was from the USA.

Diageo announced in June 2013 that the Smithwick's brewery in Kilkenny will be transformed into a state-of-the-art visitor experience with an investment of €3 million and will open in Spring 2014.

The 2011 attendances are listed below. The top 20 are identified. In addition to the two on the list, other drinks industry tourist attractions are the Jameson Experience at Midleton with 106,000k visitors, Kilbeggan Distillery Experience with 37,100 visitors and Tullamore Dew Visitor Centre with 16,100 visitors.

Table 5: Top 20 fee-charging attractions (persons) 2011

Attraction	Number of visitors (thousands)
Guinness Storehouse	1025.7
Dublin Zoo	1000.0
National Aquatic Centre	825.0
Cliffs of Moher Visitor Experience	809.5
Book of Kells	524.1
Fota Wildlife Park	390.1
St Patricks Cathedral	362.0
Blarney Castle	325.0
Kilmainham Gaol	294.1
Bunratty Castle and Folk Park	276.0
Rock of Cashel	233.0
Bru na Boinne	228.6
Old Jameson Distillery	223.5
Powerscourt House and Gardens	207.4
Connemara National Park	202.5
Christ Church Cathedral	155.9
Aquadome	142.3
National Wax Museum	142.0
Dublin Castle	141.8
Dublinia	134.1

**Source: Fáilte Ireland*

INTERNATIONAL PROFILE

This section identifies the contribution that Ireland's international drinks brands makes to the international tourism perception of Ireland.

Substantial public and private sector marketing funds are devoted to promoting Ireland as a tourism destination. Factors which raise the profile of the country in a favourable way in the minds of potential tourists are desirable and contribute to tourism performance.

High profile international sporting or cultural achievements by Irish people contribute to the positive profile of Ireland. High profile high quality international Irish brands also contribute to the positive profile of Ireland.

The drinks industry contributes global brands, such as the three most internationally recognised Guinness, Baileys and Jameson. In addition, Magners has an international reach. Drinks products are associated with leisure, relaxation and the hospitality industry, which adds to the tourism promotion effect. These are all recognised as high quality premium products. They are directly associated with Ireland and generate a positive impression of the country from a tourism perspective.

The geographic reach of these drinks brands is global. Jameson is consumed in 120 countries. Baileys is consumed in 130 countries and is the world's leading liqueur. Guinness is consumed in 150 countries. The presence of Irish pubs in many foreign cities also contributes to the awareness of Ireland as a location associated with hospitality and relaxation.

The recognition impact of Irish drinks brands including Guinness, Baileys, Jameson and Magners is an important support to the direct tourism marketing effort.

Guinness Storehouse generates approximately 180 million media impressions each year which promote Dublin and Ireland as a tourist destination.

CONCLUSION

Tourism is an important sector in terms of economic impact and exchequer contribution. The main impact comes from the overseas visitors but the domestic component is also important. The drinks industry makes a substantial contribution to the tourism performance over a wide range of channels.

7,500 public houses, almost 1,000 hotels, 1773 wine-licenced restaurants and 380 fully licenced restaurants provide physical facilities and a range of services required by tourists on a very widespread geographic basis.

The public house network provides wash room facilities and shelter, in even the very remote parts of the country. This supports the regional spread of tourism. Over half of licensed premises provide food, of these almost 90% provide hot meals. 43% provide live entertainment. 22% of licensed premises and 17% of pubs provide entertainment specifically for tourists.

After the fundamental attractions of *people, scenery and culture/history*, public houses are identified as an attraction by 7% of tourists, 8% of mainland European visitors and 10% of German visitors (which is the largest national mainland European market for Irish tourism).

The drinks and hospitality industries are major sources of festival sponsorship. Research relating to some years ago, suggests they provided almost half of all sponsorship compared with banks and building societies which provided 6%. Festivals supported by the drinks industry include the Guinness Cork Jazz Festival, the Heineken Electric Picnic, the Jameson Dublin International Film Festival and the Bulmers Comedy Festival, Galway.

The drinks industry sponsors both major and local sports events including golf, soccer, rugby and GAA. In 2012, the drinks industry provided 10% of all horse racing sponsorship. It is the second largest source of sponsorship when racing related sectors, such as betting, racecourses and bloodstock are excluded.

49% of VFI members support either a local sports team/club or local event. An additional 29% had previously done so but were not currently sponsoring. It is likely that a significant proportion of other public houses, which are not in the VFI, are also supporting local events.

In 2011, the Guinness Storehouse was the most popular fee charging tourism attraction in Ireland with over one million visitors. It achieved its largest ever level of business in 2012. The Old Jameson Distillery attracted 247,000 visitors in 2012, close to its peak of 2008. Guinness Storehouse is the largest international visitor attraction in Ireland and generates 180 million global media impressions annually.

Brands such as Guinness, Jameson and Baileys which are consumed in over 100 countries generate positive awareness of Ireland as a place of quality relaxation and leisure among potential tourists. Other brands such as Magners also have an international reach.

Overall, the drinks industry support for Irish tourism is substantial and wide ranging. Despite its present difficulties, the tourism industry has the potential to be one of the main sources of economic development and employment growth over the coming years.

To achieve this desirable growth the tourism industry will need widespread support, including the substantial support provided by the drinks industry.

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Appendix 1:

Listing of festivals, sponsorships and events supported by the Irish drinks industry - 2012

Music

Forbidden Fruit	Dublin	Bulmers (C & C Group Ltd.)
Bulmers Live at Munster Fleadh	Waterford	Bulmers (C & C Group Ltd.)
Body & Soul	Co. Meath	Bulmers (C & C Group Ltd.)
Clonmel Busking Festival	Clonmel	Bulmers (C & C Group Ltd.)
Cork Jazz Festival	Cork City	Guinness (Diageo)
Body & Soul Festival	Co. Meath	Irish Distillers Pernod Ricard
U2 Exhibition	Dublin	Barry Fitzwilliam
Indie Festival	Sligo	Gleeson Group
Electric Picnic	Laois	Bacardi (Edward Dillon)
Indiependence	Mitchelstown	Bacardi (Edward Dillon)
Live at the Latin Quarter	Galway	Coors Light (Heineken)
Live at the Washington Village	Cork City	Coors Light (Heineken)
Bundoran Sea Festival	Co Donegal	Heineken
Electric Picnic	Laois	Murphy's (Heineken)
Little Big Weekend	Cork	Murphy's (Heineken)
National Concert Hall	Dublin	Jameson (Irish Distillers)
Great Music in Irish Houses	Dublin/Leinster	Jameson (IDL) and Wyndham Estate
Dublin International Piano Comp	Dublin	Jameson (Irish Distillers)
Becks Vier Rythym Weekender	Dublin	Becks Vier (Bulmers)

Community / Culture / Festivals

Galway Comedy Festival	Galway	Bulmers (C & C Group Ltd.)
Comedy in Clonmel	Clonmel	Bulmers (C & C Group Ltd.)
Taste of Dublin	Dublin	Becks Vier (C & C Group Ltd.)
Dalkey Book Festival	Dublin	Bulmers (C & C Group Ltd.)
Junction Festival	Clonmel	Bulmers (C & C Group Ltd.)
Tall Ships	Dublin	Bulmers (C & C Group Ltd.)
Camden Crawl	Dublin	Becks Vier (C & C Group Ltd.)
Temple Bar Trad Fest	Dublin	Bushmills (Diageo)
Ballyshannon Festival	Donegal	Guinness (Diageo)
Spraoi - 3 day festival	Waterford	Carlsberg (Diageo)
Puck Fair - 3 day festival	Kerry	Carlsberg (Diageo)
Fleadh Cheoil na hEireann -	Cavan	Guinness (Diageo)
Arthurs Day	Dublin and regional	Guinness (Diageo)
Wexford Singing & Swinging	Wexford	Guinness (Diageo)
Jameson International Film Festival	Dublin	Jameson - IDL
Jameson Cult Film Clubs	Dublin	Jameson - IDL
Absolut Fringe	Dublin	Absolut - IDL
Galway Arts Festival	Galway	Absolut - IDL
Taste of Dublin	Dublin	West Coast Cooler IDL

Powers Irish Coffee Making Comp	Limerick	Powers IDL
Cork Calves Week	Cork	Cork Dry Gin IDL
Barry McCall Photo Expo	Dublin	Hendrick's Gin (Richmond Marketing)
Bavaria City Racing	Dublin	Bavaria (Gleeson Group)
Indiependence Festival	Cork	Bavaria (Gleeson Group)
Restaurant Awards	National	Santa Rita (Gleeson Group)
National Off Licence Ass. Awards	National	Faustino (Gleeson Group)
Bloom	Phoenix Park	Laurent Perrier (Gleeson Group)
Loughcrew Opera	Meath	Laurent Perrier (Gleeson Group)
Corona Cork Film Festival	Cork	Barry Fitzwilliam
Corona Fastnet Short Film Festival	Schull	Barry Fitzwilliam
Southern Region Moonlight Ball	Cork City	Barry Fitzwilliam
Hennessy Literary Awards	Dublin	Hennessy (Edward Dillon)
VC Business Woman Awards	Dublin	Veuve Clicquot (Edward Dillon)
M&C Green Room at the IFTA's	Dublin	Moët & Chandon (Edward Dillon)
Liss Ard Festival	Cork	Heineken
Galway Arts Festival x12 days	Galway	Heineken
Midleton Food and Drink Festival	Cork	Jameson (Irish Distillers)
Hard Working Class Heroes	Dublin	Becks Vier (Bulmers)
Sport		
• GAA		
All-Ireland Hurling Championship	National	Guinness (Diageo)
• Rugby		
Rabo Direct Pro 12 League	RDS/Thomond Park/Musgrave Park	Guinness (Diageo)
RBS Six Nations	Aviva Stadium	Guinness (Diageo)
Heineken Cup Pool Stages	National	Heineken
Heineken Cup 2013 Final	Dublin	Heineken
• Soccer		
Rep of Ireland Friendly Internationals	Aviva Stadium	Carlsberg (Diageo)
World Cup Qualifiers	Aviva Stadium	Carlsberg (Diageo)
• Racing		
Irish National Hunt	Punchestown	Guinness (Diageo)
Galway Races	Galway	Guinness (Diageo)
Galway Autumn Meeting	Galway	Guinness (Diageo)
Listowel Races	Listowel	Guinness (Diageo)
Ladies Day - The Horse Show	RDS	Blossom Hill (Gleeson Group)
Punchestown Festival	Punchestown	Laurent Perrier (Gleeson Group)
Hennessy Gold Cup	Leopardstown	Hennessy (Edward Dillon)
Powers Gold Cup	Meath	Powers (Irish Distillers Pernod Ricard)
• Golf		
Irish Open	Portrush	Heineken
• Sailing		
Volvo Ocean Race	Galway	IDL /Heineken